

SPiRiT OF THE PRESS.

EDITORIAL OPINIONS OF THE LEADING JOURNALISTS UPON CURRENT TOPICS—COMPILED EVERY DAY FOR THE EVENING TELEGRAPH.

The August Debt Statement.

From the N. Y. Com. and Financial Chronicle. If any persons have doubted whether Mr. McCulloch has had a settled policy in managing the public debt an examination of the successive monthly schedules registering the movements of that debt, will effectually settle the question. The policy adopted has not, perhaps, in some of its minor details, been the best possible, but there has been such a policy, and that it has been pretty consistently worked out. Mr. McCulloch has given abundant proofs during his two or three years of office.

One of the great necessities which controls this policy is, of course, the consolidation of the debt. Money was borrowed during the war by the issue of many different kinds of securities. These obligations are either to be paid off as they mature, or else they must be consolidated into bonds. It is this process of paying off or funding which constitutes the chief popular interest in the monthly debt statements. In that of August, which is now before us, we find that nearly thirty-seven millions of Seven-thirties have been funded into Five-twenties, while thirteen millions more have been paid off in cash, together with seventeen millions of compound interest notes. This is the first point of interest in the statement; a second is the contraction of the greenback currency to the extent of four millions. This contraction, however, is of small immediate importance in the existing plethora of the money market.

Another important fact which has been much discussed is the rapid depletion of the currency balance, which has fallen to 47 millions, and may perhaps go still lower. So long as the Government has to pay eight per cent. for money, it is deemed inexpedient and contrary to sound economy to hold any larger amount of idle currency than is absolutely indispensable, in the coffers of the Department. It is evident that those who have most earnestly contended against the policy of holding heavy balances have overlooked the reasons which forced that policy on the Secretary, and forbade him until now to abandon it.

So far as the consolidation of the public debt is concerned, we have just reached, and have safely passed, what for two or three years has been looked forward to as the most critical and dangerous period in our national finances. In the fall of 1865, as a consequence of the disbanding of the army and the closing of the war, we had a vast sum due to Treasury creditors which was liable to be demanded at almost any moment. There were the call loans for which we were paying 5 and 6 per cent. interest, the aggregate being over 100 millions of dollars; the one and two year notes amounted to thirty-three millions, and the one-year certificates to eighty-five millions, all of which were rapidly maturing. The embarrassment produced by such short loans was so severe when they were from time to time paid off, that the greatest possible anxiety was felt as to the other short debt indebtedness, and the fact was pointed out that such obligations fell due in the autumn of the present year to a heavy amount. In one month 300 millions of three-year Seven-thirties matured, and a part of the 211 millions of three-year compound interest notes. The aggregate was variously estimated from 350 to 400 millions, all of which, under certain contingencies, might be payable in cash. The inevitable result it was supposed would be, that the Government would be forced to issue an indefinite amount of legal-tender notes to extricate itself from its engagements.

Such were the sinister predictions of the croakers in 1865. The Treasury was sure to have the greatest possible difficulty in meeting its maturing engagements, and to be kept in perpetual embarrassment until at length the trouble culminated in further inflation of the currency, with all the loss and derangement to business which such a mischievous expedient would bring on the country. Mr. McCulloch had at that time been for some months only at the head of the Treasury Department. But he had set in operation the machinery for consolidating the public debt and averting the predicted catastrophe, which, if it had occurred, must have depressed Government securities below par, besides introducing an element of perturbation, incertitude, and distrust into all commercial and financial engagements.

To see how this consolidation machinery worked, let us pass on to the fall of 1866. During that interval of twelve months the aggregate of the debt had fallen from 2874 millions to 2705 millions, the temporary loan was reduced to 45 millions, the debt certificates had disappeared from the market, and the 100 millions of compound notes had been withdrawn, as well as sixty-one millions of Seven-thirties. Such was the signal manner in which the financial trouble were disappointed, and what was most important of all was that the greenback circulation, instead of increasing, was curtailed from \$433,160,500 on the 1st September, 1865, to \$391,603,592 on the 1st September, 1866.

In the report which has just been issued we see the same policy carried one step further. The temporary loans have been paid off, as have all the short-date securities which have matured, with the exception of a small amount of unmaturing clearing house certificates, compound notes, and seven-thirties, none of which will cease the least anxiety to the Treasury. The greenback currency has been reduced to 365 millions, or about 100 millions less than it was in 1864. The compound notes have fallen to 81 millions, none of which will mature till October, when the 3 per cent. reserve certificates will, if necessary, be available to pay them. In a word, we have already passed the severest test to which our national debt is likely to subject the financial machinery of the country, and such is the force of the machinery, so great its elasticity and recuperative power, that the whole of this gigantic task has been accomplished without a single jerk or spasm being complained of in the money market.

A glance at the debt statement will show, however, that much remains to be done in the consolidation of the debt and in the simplification of its numerous short securities into a few descriptions of bonds at long dates. The debt amounts at present to 2640 millions net, of which 800 millions are unfunded. A very large amount of the unfunded debt was nearly 1300 millions, and two years ago 1650 millions. How soon the whole amount shall be funded is one of the matters respecting which Congress will have to decide, as it involves questions touching the cancelling of greenbacks and the contraction of the currency. It is sufficient for the present to know, that within a year from this time all the floating debt, except such part of the outstanding greenbacks as Congress may decide to leave afloat, will be consolidated in such a form as to cause no such trouble to the Treasury Department, as would necessitate the keeping of the large balance of idle currency which for some time past has been more or less necessary.

Trials by Jury.

From the Washington Star.

Among the institutions of the mother country which retained a foothold in our land after we had achieved our independence, there was not one which was held so sacred, or seemed more likely to endure, than the English jury system, which demands the unanimity of twelve men. Under Edward III it was first decided that the verdict of less than twelve was a nullity, and the decision has stood unquestioned from that time almost until the present. Now, however, the subject of a reform in the system has attracted some attention in England, and is being agitated in this country, and the opponents of a unanimous verdict argue with some plausibility that the ends of justice would be more certainly attained if a jury of twelve should be valid. There are some who prefer making the judges of the law judges of the fact also; but this is a plan which, although it would have its advantages in many cases, does not meet with much favor. The New York Commercial, Springfield Republican, and Cincinnati Gazette, all ably conducted newspapers, are calling for some reform in the present system, and it is not improbable that a change will be made in some of the States within a year or two. The matter has been brought before the New York Constitutional Convention by Dr. Francis Lieber, who proposes that "Each jury shall consist of twelve jurors, the agreement of two-thirds of whom shall be sufficient for a verdict, in all cases, both civil and penal, except in capital cases, when three-fourths must agree to make a verdict valid. But the foregoing in rendering the verdict shall state how many jurors have agreed." He brings forward many cogent reasons for the proposed change, and, alluding to the practices of other countries, says:—"In Scotland no unanimity of the jury is required in penal trials; nor in France, Italy, Germany, nor in any country whatever, except England and the United States; and in English law it has only come to be gradually established in the course of legal changes, and by no means according to a principle clearly established from the beginning." At any rate, the change is made in one or more States only at first; it can be seen whether it works better than the old plan before it is universally adopted. That the present system is far from being perfect is now generally admitted.

A Convention of Governors.

From the Chicago Republican.

The project for a convention of the Governors of the loyal States, which has recently been broached, to take into consideration the present condition of our national affairs, seems to meet with very general approbation from all true friends of the Government. There is warrant and precedent for such a Convention in that which was held at Altoona, Pa., in the second year of the war, and which excited the malignant hostility and misrepresentation of the Rebel and Copperhead press, both at the North and at the South, but it served to concentrate the power of the nation, and aided materially in securing the removal of McClellan, and the adoption of that policy which finally led to the suppression of the Rebellion. We do not doubt that a similar Convention at the present time would assist in the suppression of the new rebellion which President Johnson is now organizing. The situation at Washington differs materially, it is true, from that which existed in 1862, when we had a man in the Presidential chair in hearty sympathy with the loyal sentiment of the people, but the people still rule now as they did then, and will make their power felt in the end. The following Governors would, no doubt, participate most heartily in such a movement, viz.: Chamberlain of Maine; Harrison of New Hampshire; Willingham of Vermont; Bullock of Massachusetts; Barnside of Rhode Island; Fenton of New York; Ward of New Jersey; Geary of Pennsylvania; Baker of Ohio; Boreman of West Virginia; Coker of Indiana; Oglesby of Illinois; Crapo, of Michigan; Fairchild, of Wisconsin; Marshall, of Minnesota; Stone, of Iowa; Fletcher, of Missouri; and Brownlow, of Tennessee. Its action would also, undoubtedly, receive the endorsement of Governors Wood of Oregon; Lowe, of California; and Blaisdell, of Nevada, though they might be prevented by distance from attending, while Pierpont, of Virginia; Patton, of Alabama; Flowers, of Louisiana; Murphy, of Arkansas; and Davis, of Texas, though probably excluded by the status of their States, would sympathize with its objects. It might be instructive and profitable also to invite English, of Connecticut; Salisbury, of Delaware; Swann of Maryland; Stevens, of Kentucky; and other Johnsonian Governors of the unreconstructed Rebel States to be present as spectators, though they could not consistently aspire to participate in the proceedings. By all means let the Convention be held, and let Andrew Johnson be instructed by the recognized representatives and heads of a people who never rebelled against the Government which he is now striving to control in the interest of traitors.

The Race Between Prussia and France.

From the N. Y. Tribune.

The French do not wish to be outdone by France in assurances of pacific intentions, and a pacific note has consequently been issued from the Prussian Foreign Office, in which the recent note of M. Monnier, the French Foreign Minister, is alluded to as highly satisfactory to the Prussian Government. No one, of course, believes in these assurances, and least of all the two Governments of France and Prussia, which not for a moment lose sight of the fact that their rival claims to superiority are still undecided, and which do not cease their preparations, if not for an immediate war, at least for an increase of their military strength. This preparation of the two great powers of Europe is now the leading question of European politics, and we are naturally flooded with innumerable rumors concerning it, the great majority of which, it is safe to say, are false or untrustworthy. There are, however, a few undoubted facts, which throw considerable light upon the progress of affairs since the Salzburg Conference.

California Elections.

From the N. Y. Tribune.

California was organized as a Democratic State, and so remained till the breaking out of the civil war, save that it was carried in 1855 by the Know-Nothings. It was always under the control of a "ring" of Pro-Slavery wire-workers, known as "the chivalry," and calling themselves Democrats, though many of them had been Whigs in the slave States whence they migrated. In 1856 the Democrats from the Northern States, who had for years submitted with ill grace to this Southern rule, were so skillfully organized and so energetically led by David C. Broderick, a graduate from Tammany Hall, that they achieved the control of the party machinery, and chose Broderick a United States Senator; but another seat falling vacant just then, Broderick was induced to accept of William M. Gwin's election thereto, under a promise that Gwin would defer to him in regard to all Federal appointments. This promise was made to be broken, and was broken, as might have been foreseen. Under Buchanan, "the chivalry," led by Gwin, had their own way at the White House; and, when Broderick made fight, they read him out of the party, broke him down, and one of them challenged and shot him. In his death the Northern Democracy were temporarily obliterated. The Leconte struggle renewed their vitality; but Gwin still ruled the party, and headed an anti-Douglas delegation at the Charleston Convention. Douglas being nominated, however, the Northerners rallied, and, under the prestige of "regular nominations," beat "the chivalry" in the Presidential vote of 1860. When the tocsin of rebellion was sounded, the chivalry openly took the side of the Rebellion, hoping to secure at least the neutrality of the Pacific slope, if not its actual adhesion to the Confederacy. Falling in this, through a pretty general rally of the Douglasites to the Union standard, many of them (including Judge Terry, the slayer of Broderick, General Albert Sidney Johnson, who was killed at Shiloh, and Philemon T. Herbert, ex-M. C.) made their way over to the Confederacy, and did good service in its ranks. But every such fitting helped the Union cause in California, while the elegance and zeal of the Rev. T. Starr King, who had just migrated to that State, powerfully aided to bring many Douglas Democrats to the Union side, and an invincible party was gradually consolidated, which, for the last two or three years, has ruled the State by 15,000 to 20,000 majority.

The Peace of Europe.

From the N. Y. Times.

The formal announcements of peace between France and Prussia, which we have now had from the Governments of both countries, together with the suppression of the Cretan insurrection and the consequent laying of the Eastern question, dispel for the time being the threatnings of serious war which have distracted Europe all summer. Prussia could not do less than it has done in publicly accepting the assurances of the French Emperor, and King William's Government has done well to put forward in the form of a diplomatic note an expression of their belief in the maintenance of friendly relations with their warlike but peaceably inclined neighbor. The official declarations of the two Governments change entirely the aspect of affairs on the European continent. They not only dispel every rumor of war, but they take away every basis for the anticipations of war. They give the current of peaceful events and the great operations of industry opportunity to move on, unobstructed by those barriers which have been working such disaster, and which have threatened to bring about calamities almost as damaging as those of war itself. Three times within a twelvemonth has there been, to all appearances, imminent danger of an outbreak of hostilities between France and Prussia. At the time of the Franco-Austrian war last year, the attitude of Prussia was such as to lead to the universal belief that she would embrace the opportunity

The Great Issue—The Nation Against the Puritan and the Nigger.

From the N. Y. Herald.

The result of the election in California is the knell of the Republican party, announcing the absolute repudiation by the people of all the dangerous men who are its leaders. Parties that no longer have the will of the people behind them may linger feebly on the stage for a while, but their end is not at all distant. When all the successes of an organization must be secured by corrupt means, when its triumphs are due to bargains, not to innate force, when its purposes are not the people's purposes, it is evident that its real power is gone, and that it must be hustled from the sight of the nation. The first President of the United States whose election was not an expression of the national will, but was a delusion of that will, was John Quincy Adams. Before the people the decision in 1824 was in favor of General Jackson—Jackson had the largest popular vote—but as the election was not secured by the people's voice it went to the House of Representatives, and there the Presidency was handed over, by bargaining, to a candidate who had not been the first favorite with the people. Mr. Adams had a popular vote smaller than Jackson's; Crawford and Clay had each a still smaller vote; but through the influence of Clay a combination was made in Adams, and the popular will indicated in Jackson's plurality did not count for anything with the scheming leaders. Adams was President and Clay had the first place in the Cabinet. This association, for such a purpose, of Adams and Clay, was what John Randolph called a "corrupt coalition between a Puritan and a black-leg." The people agreed with Randolph in their opinion of this game, and did not forget the men who had sold them out. Not one of those involved in this bargain ever recovered the national confidence. All, even Clay, with his great abilities, were remembered, to be kept from all places of high trust and power; and four years later, when the people chose a President again, they gave their most unequivocal voice for the favorite, Jackson, and declared the purpose of the corrupt leaders had been established. They blotted out at once the whole party and the whole political edifice of the corrupt coalition; and the leaders of that coalition, despite all effort, were kept down forever by the determined purpose of the nation.

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of settling certain outstanding questions with Germany, and of asserting the right which she had frequently claimed, of dictating the terms and conditions upon which continental disputes should be terminated. But the very sudden and very unexpected way in which that great war was brought to a conclusion upset the purposes of Napoleon, and prevented his doing anything more than making certain respectful representations to Prussia, which he later power dealt with in a very abrupt manner.

Then, again, in the early part of the present year, hostilities between the two powers were closely threatened on the Luxembourg question; but these were prevented by the Conference called at the instance of the British Government—which Conference Napoleon very readily took advantage of, and now, again, within the last few months, a trial of strength between France and Germany has seemed more certain than ever.

There is no special cause assigned of sufficient importance to warrant a war, there is said to be some argument on a Danish point, or some difference about the treaty of Prague. But these were looked upon as mere pretenses for a quarrel which had its real cause in the necessity of settling the leadership of Europe—of determining whether France should retain the supremacy which has been in some sort of way tacitly conceded to her, or whether it should be transferred to the new and formidable claimant which had lately asserted itself by the mouth of the needle-gunn.

We confess that on many grounds the prospect of war seemed more menacing this last time than on either of the two previous occasions. This danger, however, must now, in turn, be considered to have passed away; and we must now come to the conclusion that the relations of France and Prussia are not, for the present, to be disturbed.

There has unquestionably been danger that the terrible "Eastern question" would be opened up by the Cretan rebellion. The Christians of Crete themselves looked for this. Had the Government of Greece taken the part in the revolt which they threatened, there would certainly have been widespread troubles. Or had the Turks managed the case with less caution than they did, had they come into collision with the Russian vessels which were hovering near Crete, had they taken offense at the open manifestations of Russian enmity, had they given opportunity for the threatened Slav-Greek rising in the provinces, there would at once have been complications that would have called forces into the field beyond the management of the Sultan or his backers.

All these perils have passed away with the suppression of the Cretan revolt, and everything is once more quiet in that dangerous part of Europe. In one sense the peace which has come over Europe is "hollow" enough; but European experience shows that what is called a hollow peace may often last a great many long years. And whether the present peace be real or hollow, we count it a great gain that war has been avoided.

Why Did the Great Reaction Begin in California?

From the N. Y. World.

Some enthusiastic Democrats may incline to answer that California leads the great patriotic awakening simply because, in the fall elections of this year, her comes first. There would doubtless be a strong element of truth in this explanation, for noteworthy symptoms of an altered public sentiment were apparent in the Atlantic States long before any indications of a change on the Pacific coast were observable here. We took occasion, several weeks ago, to point out and dwell upon some of these symptoms. The most remarkable and trustworthy was the inclination of a part of the Republican party to nominate General Grant for President. The aggressive tone of the Republican party was wonderfully let down when a great portion of the party desired the nomination of a man deemed of neutral or doubtful politics.

When a political party is thus lowered on a great ebullience of public feeling, and half of its members become practically neutral, there is good reason for hoping that the politics of the country will no longer be controlled by gusts of sectional excitement. The disposition of a large portion of the Republicans to nominate General Grant, was perhaps a truer gauge of the subsidence of sectional passions than any other that could have been furnished. It showed a wide-spread and unconscious desertion of Republican principles. It was a general sinking of the flames while no engines were playing on them, proving that the combustibles which had fed them were nearly burnt out. The recent boldness of President Johnson, and, what is more significant, the unreason and consternation it causes in the Republican party, is another proof of change.

The Republican party now makes a spontaneous confession that its only hope of salvation lies in impeaching the President. This confession of weakness is all the more telling for being unconscious. The great, boastful, arrogant Republican party, which has so confidently proclaimed the death and advertised the funeral of the rival organization, and which has a majority of four to one in both Houses of Congress, quakes with fear when the President's intemperance courage enough to change one Cabinet officer and two generals. This arrogant party abandons all its assurance unless so dangerous a man can be summarily deposed. When so wanting a party is so easily disposed of, it is a proof that its leaders have lost their confidence.

Those sanguine Democrats, therefore, who are ready to say that California is in the van of the great reaction only because her election is held first, are not without reason. But we, nevertheless, think that they put the case rather strongly. We regard it as fortunate that the California election occurred first, for we suppose the reactionary tendencies to be somewhat riper there than in any other State in the Union. In other States, the tone of the Republicans is indeed lowered, but the conservative Republicans had not acquired courage enough to openly change sides, till they should see others leading the way. The energetic, enterprising Californians are naturally bolder than the people of older communities; and it

is fortunate that causes should be in operation to mature their convictions in season for a repudiation of the Republican party at the beginning of the fall elections. California thus puts forth her hand to shake the tree, and will cause the ripening fruit to drop in other States.

California arrives earlier at opinions whose intrinsic soundness will cause their general adoption, by the advantages of her local situation, which gives her better points of view. Her distance from the east of Federal authority enables her to appreciate the absurdity of the centralizing system which the Republican party is aiming to consolidate. A Government three thousand miles away could not properly manage her domestic affairs, even if it had nothing else to attend to. It would perpetually legislate on subjects of which it had no knowledge. It would constantly have to depend on the representations of interested parties. Great corporations, or great wealthy interests, or great associations of swindlers, would generally carry their designs by their superior ability to send agents to Washington and support a lobby. This would be the case, even if the authorities at Washington had no other care than to govern that single State. But with nearly forty States to govern, it could bestow so little attention on each, that in the confused mass of ill-understood or misunderstood business, California would be worse off as a member of the Union than she would be under a native monarchy.

California, from her isolated local position, is well situated for understanding what the Federal Government can, and what it cannot, profitably do for a State. Her experience has taught her that a Republican State is equal to all the emergencies of local administration. She has had an excess of the turbulent elements of society, and yet she has preserved order without ever invoking Federal assistance. At one time she went through what was equivalent to a revolution, and came out triumphant; a vigilance committee in San Francisco assumed, and afterwards laying down authority with a boldness and moderation which demonstrated the honesty of the people to rectify any disorders that might arise from the temporary supremacy of dangerous classes. The eventful history of California, and her success in maintaining order, with an abnormal population, and a large intermixture of mutinous people, is a triumphant demonstration of the capacity of the individual States for wise self-government.

What, then, does California want of the Federal Union? Two things only—external protection and free trade with her sister States. It is for these alone that she has remained, free consent, a part of the American Union, for she could, at any time during the war, and probably before it, have declared and maintained her independence. But the Union protects her against foreign aggression without the expense of a separate army and navy; and, what is still more important, it gives her the advantages of perfectly free trade with a multitude of other States, many of them as prosperous and energetic as herself. The Union engages to multiply the value of this beneficial commerce by constructing the Pacific Railroad, which is the strongest tie that binds her to the confederation. Distance and isolation have enabled her to discriminate, as many other States do not, between State and Federal interests, and to judge correctly what the States want and what they do not want of the central Government.

Another reason which, had we duly reflected on it, might have led us to expect that California would lead the reaction, is the presence of that large and bold population. The arguments by which the Republican party attempt to prove the justice of the same are entirely destitute of force, or they equally demonstrate the necessity of Coole's suffrage. The Californians have an intuitive perception that this doctrine of the equal fitness of all races for self-government is an exquisite absurdity. The negro population in most of the old free States is so small and unobserved that it is deemed of little importance; but the Cooles in California are numerous and despised, and the idea of making them voters is regarded with irrefragable derision. But Coole's suffrage stands on precisely the same argumentative grounds as negro suffrage.

The truths which California sooner sees from the circumstances of her local position, are none the less truths for the other States. It is as true of them as of her, that they are perfectly competent to maintain internal order, and need nothing from the Union but external protection and free trade among one another. Even little Rhode Island put down, unassisted, a formidable rebellion against her State Government supported by a majority of the population. The Federal Government is indeed under an engagement to suppress domestic insurrection in the States when called on to do so; but in all our history no such call has ever been made; which is a valuable proof of the capacity of these States to maintain unaided the supremacy of their local laws. Even the smallest and weakest of the States would be just as well off out of the Union as in, if they could be equally protected against external aggression, and equally sure of free intercourse with the other States. California has been in a better position to perceive this truth, but it is equally a truth for all.

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